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ENCLOSURE

Development of an Integrated Management Reporting System

1. PROBLEM

To establish work measurement and performance standards for each operating element of the Office of Logistics through development of a system for presenting a comparative analysis of the measurement data submitted periodically.

2. FACTS BEARING ON THE PROBLEM:

Following is an analysis of statistical reports being submitted by elements of the Office of Logistics to the Planning Staff for inclusion in the consolidated Operational Statistics Handbook:

a. Personnel Reports - The report on personnel is prepared monthly in three parts. One part is a detailed personnel strength report prepared in tabular form, and the second part is a summary of the detail. These portions of the report show authorized S/C, the ceiling figures, number of personnel on duty, the number over or under the ceiling, number of persons in process, and a tabulation

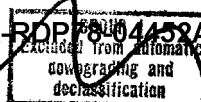
[REDACTED]

port showing comparisons with previous years.

b. Procurement Division Report - The monthly Combined Operations Report of Procurement Division is a tabulation measuring production based on number of requisitions received and processed, number of procurement actions processed, funds obligated, and the number of line items processed. Comparisons with the previous two fiscal years are recorded for procurement actions and funds obligated. The backlog is shown as the estimated value of pending requisitions. The separate reports covering the five operating elements of the Division reflect backlog based on number of pending requisitions. A performance status is indicated by an analysis of processing time required on various procurement actions.

c. Supply Division Report - The monthly Combined Operations Report includes 13 variables. The cumulative totals are not recorded, backlog volume is not shown, and there are no comparative figures for activity in previous years. The separate reports covering [REDACTED]

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record monthly activities in terms of stock line items filled, items packed and crated, receiving documents processed, number of shipments, and tonnage handled.

d. Real Estate and Construction Division Report - This quarterly Operations Report consists of tabulations of the various activities of the Division. One part of the report shows statistics on assigned, leased and purchased properties. A second part covers construction contracts, new projects authorized and preliminary project planning by number and dollar value. Another part covers architect-engineer contracts awarded, completed, in progress and under change order by number and dollar value. The last part summarizes activities in the provision of telephone service and in accomplishment of maintenance and modifications of facilities. There is no combined report for the Division mainly due to the dissimilar functions covered. Comparative statistics for previous years are not included.

e. Transportation Division Report - This monthly Operations Report consists of a tabulation measuring workload based on number of transportation requests received, actions completed, tons shipped, total mileage of vehicles, and passengers carried. This tabulation does not reflect backlog volume or comparisons with previous years' activities. A multitude of detail is recorded in the separate reports of activities in the three operating branches of the Division, including backlog volume in two branches where such data can be measured.

f. The Printing Services Division does not submit statistical data for inclusion in the OI Operational Statistics Handbook; however, the Division maintains a comprehensive and detailed record of work production of the separate operations. Charts and statistical data based on yearly production are prepared for use as required.

3. DISCUSSION:

a. In order to acquaint the operating divisions with the problem under consideration and to seek their assistance and active participation in achieving a feasible solution, discussions were held with representatives of each Division. A positive response was received from all persons contacted.

b. Consideration of the purpose to be served with the installation of an integrated reporting system resulted in an initial determination that a twofold objective should be achieved:

(1) Monthly Operations Report - The consolidated monthly operations reports must contain all information needed by management to determine not only the results of the months' activity

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and the estimated future capability, but also include certain detailed information on the various factors, both tangible and intangible, which comprise the cause and effect underlying the final result.

(2) Index of Effectiveness - There is a need for a reliable technique which will serve as a guide in measuring the overall effectiveness of the Office of Logistics. Each operating element should select a unit, or a combination of units, that will adequately measure the total product for a specified period of time, and apply a mathematical equation relating these significant variables to arrive at an Index or Standard for the Division. Because of the dissimilar operations within the Divisions, and because the variance of production within the separate branches or sections must be shown, it is believed that a separate Index should be established on the branch or section level. The composite of the branch or section indexes should constitute the Division Index, and the composite of the Division Indexes would constitute the OL Index.

c. There appears to be general agreement that the two foregoing objectives could be achieved. The Index System would be empirical and the Index values computed each month would not provide an absolute measurement of efficiency or effectiveness. However, these Index values could be examined against those for previous periods to obtain a comparison of efficiency or effectiveness.

d. The information contained in the monthly statistical reports, with some modification, combined with the detailed information maintained in the PSD, is sufficient to form consolidated monthly statistical reports that will adequately reflect volume of work accomplished, measure the current product by comparisons with previous corresponding periods, and predict estimated future capability based on backlog volume and available resources. The Index System would be based on the items being reported in the modified monthly reports.

5. CONCLUSION:

That the current monthly statistical reports could be modified and an Index System could be developed which would give a better indication of efficiency or effectiveness of the operating divisions and the Office of Logistics. Such modification and development of an Index System could best be accomplished by the Planning Staff working in conjunction with each operating division.

6. RECOMMENDATIONS:

a. That the Planning Staff, in conjunction with the respective

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operating divisions, develop for each Division a monthly Combined Operations Report which will reflect the following information:

- (1) Current capabilities
- (2) Workload received for action
- (3) Workload completed
- (4) Backlog volume
- (5) Comparisons between current month and the corresponding month of at least two previous fiscal years.

b. That the Planning Staff, in conjunction with the respective operating divisions, develop Indexes of Effectiveness for use by each Division and for subsequent use in arriving at an OI Index of Effectiveness.

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